

DD/A Registry
File *Accounting*

11 JUN 1976

DD/A Registry
76-2946

MEMORANDUM FOR: Chief, Audit Staff

FROM : F. W. M. Janney
Director of Personnel

VIA *A* Deputy Director for Administration *14 JUN 1976*

SUBJECT : Report of Audit of Government Employees
Health Association, Inc., 1 January 1974
to 31 December 1975

REFERENCE : Memo to D/Pers from C/Audit Staff dtd
5 May 1976, Subject: Reports of Audit

This memorandum responds to the recommendations contained in the referent Report of Audit. Our answers are in the same order as the recommendations.

1. "Establish procedures to accurately measure productivity"

While we are not ready to concede that our present methods of productivity measurement are inaccurate, we readily agree that there is room for improvement in our procedures for counting and classifying all claims workload. There are 11 Claims Assistant positions at this time and we have also had three part-time employees in this activity. These employees are carefully supervised and management is well aware of individual capabilities and production. We must, however, rely primarily upon the judgment of our supervisors rather than production statistics. It would be desirable to have well defined production figures to reinforce the evaluations of supervisors and to describe personnel needs, workload problems and accomplishments.

The audit comments focus on three aspects of the problem. First is the method of counting the number of claims to be processed. Our current procedure is to count and report the number of subscriber file folders on hand for processing. This does not give a complete indication of pending workload since files contain claims of varying complexity and there may be claims for more than one family member in the file that must be processed as separate items. In the past we have recognized this and qualified the figure when reporting to individuals unfamiliar with claims processing. We have also maintained production figures on claims examiners in terms of

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"audit sheets" rather than on claims. An audit sheet is made for each family member when processing is completed.

In order to improve the counting methods for our pending claims and to standardize our overall counting methods, we plan to initiate new procedures to count as a pending claim the submissions for each family member.

The second problem mentioned in the audit comments with regard to this recommendation was the lack of segregating claims as to degree of complexity. This comment refers to the fact that we do not count claims in terms of their complexity. In order to properly distribute the workload, claims are now separated into three categories: easy, difficult and overseas. The easy cases are given to trainees, the more difficult cases to fully trained personnel, and the overseas cases to selected individuals who have special training to handle currency conversions, etc. We will develop additional procedures to code and maintain records of claims using these categories.

The final problem mentioned under this recommendation has to do with determining the time required to process each type of claim. While broad categories of claims can be established, it will be exceedingly difficult to determine a time frame within which the average claim can be processed. There are so many variables to consider within each category and within each claim. At present we can only state that we will study the problem and attempt to develop workable procedures to lead toward a solution.

2. "Try to reduce the number of retiree accounts administered by GEHA"

We are working with [REDACTED] STATINTL
Cover and Commercial Staff, to determine if some of the retiree cover accounts can be transferred to the underwriter. A list of these "covert retirees" has been turned over to [REDACTED] L
STATINTL [REDACTED] CCS.

3. "Include a statement of authorization to release medical information on all claim-submission forms used by GEHA"

The claim forms which do not contain a statement authorizing the release of medical information are being

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changed to include such a statement. New forms will be printed after necessary approvals are obtained.

4. "Restrict the access to GEHA employee insurance file folders"

GEHA employee insurance file folders have been segregated and placed under the physical control of the Deputy Chief of the Insurance Branch.

5. "Request the Compensation and Tax Division of the Office of Finance to send hospitalization plan premium payments directly to the Civil Service Commission"

STATINTL

We will hold discussions with Chief, [REDACTED] TATINTL
[REDACTED] CCS, and with Chief, Compensation and Tax Division, OF
to work out the necessary procedural changes to implement this
recommendation.

(Signed) F. W. M. Janney

F. W. M. Janney

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